



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

June 8, 1990

CERTIFIED RETURN RECEIPT REQUESTED
No. P 075 063 314

Mr. William Moeller
Chief Executive Officer
American Consolidated Mining Company
405 South 100 East
Pleasant Grove, Utah 84062

Dear Mr. Moeller:

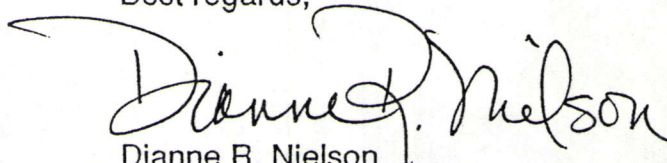
Re: Certificate of Deposit, Yellow Hammer Mine, M045/019, Tooele County, Utah

Enclosed are three originals of the Division's letter to First Security Bank stating the terms of the Certificate of Deposit regarding American Consolidated's Yellow Hammer Mine. Please sign and return all three originals to the Division. An executed original will be returned to you for your files.

As indicated in the attached, American Consolidated Mining Company (ACMC) can establish an account for dispersed interest that accrues to the C. D. after the conclusion of the first six months of the C. D.

If you have any questions, please call.

Best regards,


Dianne R. Nielson
Director

vb
Enclosures
cc: L. Braxton
C. Roberts
W. Hedberg

MI102/3
an equal opportunity employer



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RECEIVED
JUN 13 1990

June 7, 1990

DIVISION OF
OIL, GAS & MINING

First Security Bank of Utah, N.A.
76 South Main
P. O. Box 30004
Salt Lake City, Utah 84130-0004

ATTENTION: Doris Higgs

This is in regards to regulatory requirements of the statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the operations and reclamation of the Yellow Hammer Mine, Permit Number M/045/019 operated by American Consolidated Mining Company (ACMC).

A Certificate of Deposit will be issued by First Security Bank of Utah for \$16,600 for the automatically renewable term of six months in the name of the State of Utah, Division of Oil, Gas and Mining. The interest earned by the Certificate of Deposit for the first six months will be added back on to the Certificate of Deposit. After that the interest earned will be dispersed upon maturity and deposited in ACMC's account. If the Certificate of Deposit is redeemed before six months and the penalty reduces the face value of \$16,600, the State of Utah, Division of Oil, Gas and Mining will go to ACMC for reimbursement of that loss. If redeemed after six months, then \$16,600 will go to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will go to ACMC's account. The Certificate of Deposit will be sent to the Division of Oil, Gas and Mining at the above address. The Certificate of Deposit can only be redeemed by the State of Utah, Division of Oil, Gas and Mining.

If the statute or rules of the State of Utah, Division of Oil, Gas and Mining are violated with respect to the operation or reclamation of the Yellow Hammer Mine covered by this surety, the State of Utah, Division of Oil, Gas and Mining has the authority to call the Certificate of Deposit on demand for the full amount of \$16,600. Any loss due to an early redemption penalty will be the responsibility of ACMC, and will not be the expense or responsibility of the State of Utah.

First Security Bank of Utah will not be held liable for any dispute between these parties.

Agreed Upon by:

Dianne R. Nielson, Director
Division of Oil, Gas and Mining

William Moeller, Chief Executive Officer
American Consolidated Mining Company

Tax I.D. Number 87-00545

Tax I.D. Number 87-0375093